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FINANCIAL SITUATION OF UNIDO

Request from Belarus for restoration of voting rights based on payment plan

Note by the Director-General

Draws the attention of the Conference to a request from Belarus for restoration of voting rights based on a payment plan agreement and provides information on the status of payments.

Introduction

1. A letter dated 30 October 2003 from the Permanent Representative of Belarus requesting a decision by the General Conference on the restoration of voting rights is shown in the annex to the present document. The letter was also circulated to permanent missions with an information note on 3 November 2003.

I. PAYMENT PLAN AND STATUS OF PAYMENTS

2. Since 1997, payments amounting to €2,577,837 have been made by Belarus. On 1 June 2003, the outstanding assessed contributions of Belarus amounted to €452,373, for which Belarus signed a payment plan agreement on 31 October 2003 which was endorsed by UNIDO on the same day for a three-year period. The agreement is in accordance with the terms for payment plans outlined in the report of the open-ended discussion group on timely payment of assessed contributions (IDB.19/12 and Corr.1), adopted by the Industrial Development Board in decision IDB.19/Dec.5. As stipulated in the agreement, the first instalment amounts to €150,791. Belarus paid €84,388 on 10 June and €92,797 on 19 August 2003, for a total amount of € 177,185, making the plan operational.

II. VOTING RIGHTS

3. Article 5.2 of the UNIDO Constitution stipulates that any organ may permit a Member in arrears to vote in that organ if it is satisfied that the failure to pay is due to conditions beyond the control of the Member. Voting rights are governed by the respective rules of procedure of the governing bodies (rule 91 of the General Conference, rule 50 of the Industrial Development Board and rule 42 of the Programme and Budget Committee). In its report to the Board, the open-ended discussion group on timely payment of assessed contributions states: "When considering applications for the restoration of voting rights, the competent body should regularly take into account the state of payments made under an agreed payment plan" (IDB.19/12 and Corr.1, para.14).

III. ACTION REQUIRED OF THE CONFERENCE

4. The Conference may wish to consider adopting the following draft decision:

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"The General Conference:

"(a) Recalls the report of the open-ended discussion group on timely payment of assessed contributions (IDB.19/12 and Corr.1), in particular paragraphs 13 and 14;

"(b) Also recalls Board decision IDB.19/Dec.5 and General Conference decision GC.9/Dec.12;

"(c) Welcomes the commitment of Belarus to settle its arrears, as reported in document GC.10/15;

"(d) Gives satisfaction to the request by Belarus for the restoration of its voting rights in accordance with Article 5.2 of the UNIDO Constitution;

"(e) Takes note of the signature of a payment plan agreement and encourages Belarus to pay regularly its instalments in line with the conditions therein."

Annex

LETTER FROM THE PERMANENT REPRESENTATIVE OF BELARUS

**PERMANENT MISSION
OF THE REPUBLIC OF BELARUS
TO THE INTERNATIONAL
ORGANIZATIONS IN VIENNA**

Hüttelbergstrasse 6, 1140 Wien, **Tel. 419 96 30, Fax 419 96 30 30**

Vienna, 30 October 2003

Excellency,

I have the honor to inform you that the Government of the Republic of Belarus would like to request to restore the voting rights of Belarus in the United Nations Industrial Development Organization (UNIDO), as substantial efforts have been made to reduce the arrears as well as to settle the outstanding amounts to the UNIDO budget under a payment plan.

The arrears accumulated by Belarus are the result of the outdated system of apportionment of the expenditures in the organizations of the UN system, which over many years was unable to adequately take into account the Member States' capacity to pay, as well as timely reflect the changes in their economic and financial potential to do so. In addition, Belarus was faced with severe economic difficulties associated with its transition to the market economy and the need to allocate substantial resources for mitigating the Chernobyl-related problems.

Being committed to the objectives of UNIDO's activities and wishing to strengthen and continue fruitful co-operation with the Organization, the Government of the Republic of Belarus is ready to settle its outstanding contributions, which have emerged due to conditions beyond its control, and signed a payment plan agreement with UNIDO, amounting to Euro 452,373 over a period of three years. The first instalment of Euro 150,791 was paid prior to September 2003, as stipulated in the agreement.

Given the aforementioned, I would like to ask the General Conference of UNIDO to take a positive decision on restoring the voting right of Belarus, commencing with the 10th session of the General Conference, based on the provisions of Article 5 of the UNIDO Constitution.

I should be grateful if this letter could be made available to the Member States of the Organization.

Please, accept, Excellency, the assurances of my highest consideration.

[Signed]

Viktar GAISENAK,
Ambassador/Permanent Representative

H.E. Dr. Carlos Alfredo Magariños
Director General
United Nations Industrial Development Organization
UNIDO